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COPY NO. 39

OFFICE OF CURRENT INTELLIGENCE
DAILY DIGEST OF SIGNIFICANT TRAFFIC

Date: MAR 21 1951

NOTE:

1. This summary of significant reports has been prepared for the internal use of the Office of Current Intelligence. It does not represent a complete coverage of all current traffic in CIA or in the Office of Current Intelligence.
2. Comment represents the preliminary views of the responsible analysts and not necessarily the final view of the Office of Current Intelligence.
3. Marginal letter indications are defined as follows:
 - "A" - items indicating Soviet-Communist intentions or capabilities
 - "B" - important regional developments not necessarily related to Soviet/Communist intentions or capabilities
 - "C" - other information indicating trends and potential developments

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SECTION 1 (SOVIET)

"A" EASTERN EUROPE. FINLAND. Cabinet Faces Crisis. The two-month-old Finnish coalition government was defeated by a vote of 138 to 36 on its motion to delay until 1 August a planned increase of forty-three percent in rents which was originally scheduled to go into effect on 1 April. Following this vote, the Social Democratic Party announced officially that it would withdraw its members from the Cabinet, but has unofficially hinted that it was ready to accept a compromise solution. Such a solution is expected to be sought in a new Government bill proposing that rents be increased twenty percent from 1 April and twenty-three percent from 1 August. However, in committee discussions, the Social Democrats have also opposed this action. On the basis of their withdrawal announcement, it would be difficult for them to reverse their position.

COMMENT: Although the final outcome of this situation is still in doubt, maintenance of the economic stabilization program without major increases in the cost-of-living index figure (of which rents are a component) is in the common interest of the Government parties.

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"C" HUNGARY. Yugoslav Frontier Violations Protested. On 16 March the Hungarian Government delivered a note to the Yugoslav Legation in Budapest enumerating 12 frontier violations committed between 20 January and 19 February. The Hungarian note protests against "the provocative and hostile activities Yugoslav frontier guards continue to carry out" and points out that these activities are "the result of the aggressive policy of the Government of the Yugoslav Republic." The note emphasizes that the Hungarian Government holds the Yugoslav Government responsible for the frontier provocations and their consequences.

COMMENT: This marks the 34th published note which the Hungarian Government has sent to Yugoslavia regarding frontier violations since the Tito-Cominform break. Bulgaria and Albania have also recently sent to the Yugoslav Government notes protesting frontier violations.

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"C" POLAND. Belgian Visit of Polish Parliamentarians a Propaganda Failure. Discussions in Brussels from 9-15 March between Polish and Belgian Parliamentary groups on the subject of the "necessity of preserving peace and preventing the rearmament of Western Germany" were a decided Communist propaganda failure. This theme is one that Polish propaganda and official statements played up prior to the meeting of the Foreign Ministers' Deputies meetings. Comment by Belgian newspapers representing all political complexions, except the Communists, clearly indicated that Belgian non-Communists were not taken in by these discussions. The meetings were characterized as "absolutely sterile" and pointed questions were asked in the Belgian press regarding the settlement of Poland's debt to Belgium. The US Embassy in Warsaw commented that it was evident that the USSR, even on this relatively minor occasion, was using every means to weaken NATO unity and particularly the support of the small powers.

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"C" POLAND. Shortage of Tractor Spare Parts. An acute shortage of spare parts for tractors on State Agricultural farms in Poland has been reported. The situation is apparently so serious that a special conference was held in Lodz to discuss the matter. According to a representative of the Ministry of Agriculture, continued Western restrictions of the supply of spare parts will cause a critical situation in agriculture this year and an even worse one next year. The US Embassy Warsaw, however, does not believe that the mere shortage of tractor parts, or the failure to supply tractors will have any immediate serious effect on Polish agricultural output. [REDACTED] COMMENT: While the failure to provide spare parts or tractors may not have a significant depressing effect upon Polish agricultural production, it may definitely serve to prevent the increase in production envisaged in the Six Year Plan for this year. Furthermore, if the situation should become serious enough, the rate of agricultural collectivization may be reduced.

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"B" YUGOSLAVIA. Possible Effect of Pre-Election Campaign. US Embassy Belgrade reports that the Parliamentary elections in the Republic of Serbia and Slovenia were held on 18 March without incident and under voting procedures similar to previous elections. While it is still too early to judge the effects of the pre-election campaign which emphasized the threat of a Satellite attack, the Embassy's best judgment is that the Yugoslavs are fully aware of the possibility of attack but the majority "face the future with calm nerves." The Embassy feels that the campaign emphasis on the popular attitude regarding a Cominform invasion, as well as the Trieste issue, may be partially explained by the coincidence of the election with the Deputy Foreign Ministers' meeting in Paris and other international developments. The Embassy notes that Yugoslav leaders habitually use elections as a platform to make their views on international issues known to the world. [REDACTED] COMMENT: While the Yugoslav stand against the Cominform has been stressed in previous election campaigns, the threat of an attack has not been so prominently emphasized. The US Embassy has consistently maintained that Yugoslav morale is good but recent reports from other sources indicate that Yugoslav will to resist may have declined.

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SECTION 2 (EASTERN)

"C" IRAN. New Cabinet Presented to the Shah. Prime Minister Ala presented his cabinet to the Shah for his approval on 20 March. Formation of the cabinet was reportedly delayed by the difficulties in obtaining ministers willing to take office at this difficult time. The new government's first act was to declare martial law. [redacted]

[redacted] COMMENT: Ala was reluctant to become Prime Minister and he apparently did so with the hope that he was only serving on a temporary basis. The cabinet he has presented is not a strong one. As it now stands, it contains no members of the National Front, the small but vocal parliamentary group backing the nationalization of Iranian oil, whose agitation was directly responsible for Prime Minister Razmara's assassination. However, some of the most critical posts, are not yet filled, and Ala may be forced to accept some of the members of the National Front. Since the cabinet, as it now stands, is probably the least controversial possible under the circumstances, it probably will obtain the necessary vote of confidence from the Majlis when it reconvenes in approximately two weeks.

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"B" INDONESIA. Prime Minister Not Yet Designated. President Sukarno has not yet appointed anyone to form a new cabinet, following the resignation of Prime Minister Natsir, on 20 March. Parliamentary circles expect him to entrust Natsir's Masjumi Party and the Indonesian National Party (PNI) jointly with the task. Spokesmen of both parties reportedly have stated their willingness to cooperate [redacted] that party is prepared to accept Natsir of the Masjumi as prime minister. However, Sidik, PNI chairman, told the press that his party's political program includes dissolution of local assemblies, nullification of the Netherlands-Indonesian Union, revision of the Round Table Conference agreements, halt in the implementation of the sales tax, and repeal of the former government's strike ban. [redacted] COMMENT: The resignation of Prime Minister Natsir and his Cabinet apparently occurred over the local assemblies issue. Although a compromise may be reached, the Masjumi can scarcely accept the PNI program as cited above since that program conflicts with policies promulgated by the late Masjumi-led Cabinet. The PNI is highly nationalistic and has been increasingly supported by Communist-oriented groups. As a result of its influence a coalition government would probably move towards the left and display a less cooperative attitude toward the US than that of its predecessor.

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"C" AUSTRALIA. Communist Party to Participate in Election. Richard Dixon, President of the Australian Communist Party, announced on 19 March that the Party would enter candidates for both the House and Senate in the general election scheduled for 28 April. [REDACTED] COMMENT: None of the Party's 49 candidates, who received about 1% of the 4.9 million total vote, were elected in the 1949 general election. Party prospects have not improved.

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"A" INDOCHINA. Impending Viet Minh Attack. The Viet Minh is expected to launch within a week a diversionary attack preliminary to its main offensive in Tonkin. French G-2 FAEO estimates that the main attack cannot last longer than four days owing to the Viet Minh's shortage of ammunition, but is concerned with the deteriorating situation in the southern part of Central Vietnam. French Naval Forces report more frequent interception of Hainan- and China-trained Viet Minh personnel in the Gulf of Tonkin in recent weeks. USMILAT concurs that Viet Minh attack is imminent, and observes that the attack might well be the preliminary for Chinese Communist intervention. He points out that CCF are aware of the precariousness of the French position and that they can afford to await reports on the success or failure of De Lattre's mission before committing themselves. [REDACTED] COMMENT: Intelligence regarding sea-borne Viet Minh trainees from China and Hainan has been very thin in the past. General De Lattre is now in Paris to press his demands for the equivalent of at least one division of reinforcements for Indochina. The French Government is expected to approve the despatch of some 15,000 reinforcements.

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"C" CHINA. Guerrilla-Suppression Operating. Chinese Communist regional broadcasts, in a partial summary of the results of guerrilla-suppression operations over the past two to eight months, make the following claims: in the Central-South area, liquidation of 23,000 "bandits"; in the Northeast (Manchuria), the arrest of 5500 "antirevolutionary elements" and bandits; in Chekiang Province, the annihilation or capture of 5200 bandits; in Kweichow Province, "remarkable progress" (but no figures); and in one part of Kwangsi Province, the wiping out of 16,000 "local bandits". [REDACTED] COMMENT: Although these figures cannot be evaluated with confidence, they are consistent with what is believed to be the relative extent of Communist consolidation in the areas cited: most advanced in the Northeast, most retarded in the South. The Communist claim to have reduced to insignificance the guerrilla problem is almost certainly false.

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- "C" Peiping's Line on Korea. In its propaganda material for 21 March, devoted to a "clear explanation" of the Korean situation, the Peiping radio tells its domestic audience that Communist forces in Korea made a "temporary" withdrawal from Seoul in order "to gain advantageous conditions for annihilating the enemy forces". The broadcast instructs all propagandists to disseminate the view that the retreat "will not prejudice final victory", but that the people must also be told that "to annihilate completely the imperialist brigands...necessarily requires a considerably long time...."
- [] COMMENT: The above is a revival of Peiping's line of 1950 during the period of Communist reverses in Korea. Peiping's acknowledgement of the difficulties ahead does not indicate any modification of the regime's terms for "peaceful settlement", last affirmed publicly on 2 February. Neither does the propaganda preparation of the Chinese for a lengthy involvement mean that Peiping has no hope of direct Soviet participation; in October 1950 the Peiping radio was advising the Korean Communists to resort to long-term guerrilla warfare, immediately prior to large-scale Chinese intervention. 25X1
- "C" KOREA. Pusan Mass Meeting Votes to Cross 38th. CENTRAL NEWS, Tokyo, reports that a mass meeting attended by 20,000 people under the auspices of the "All-Korean Patriots Organization" was held on 19 March in Pusan. The meeting passed a resolution requesting UN Forces to cross the 38th Parallel and to bomb Communist supply centers in Manchuria. [] COMMENT: While all Koreans are eager for the unification of Korea, it is highly unlikely that a mass meeting of this size would have been held without official permission. The meeting was probably Government instigated and taken in conjunction with the constant stream of on-to-the-Yalu comment by responsible ROK officials is indicative of the pressure the South Koreans are trying to bring on the UN and the US and the lack of ROK teamwork with the UN on this topic. 25X1
- "B" JAPAN. Koreans Kill US Soldier. Six US soldiers were surrounded and attacked in Tokyo early the morning of 21 March by a crowd of Koreans according to a report by Central News. One soldier was killed and two others were injured in the brawl, the cause of which was not revealed. Japanese police broke up the fight and detained about 70 Koreans for questioning. C.I.D. is conducting a house-to-house search for the assailants. [] COMMENT: This is the first fracas involving residents of Japan and US personnel since Communist-inspired students roughed up Occupation personnel last Memorial Day. It will be recalled that shortly thereafter MacArthur instructed the Japanese Government to purge 24 ranking JCP leaders. This 21 March incident, if a connection is proved with the Communists, may well serve as the excuse for outlawing the Japan Communist Party, either with or without instructions from SCAP. 25X1
- "C" Japanese Request SCAP to Prevent Fishing-Boat Seizures. The Japanese Government, under heavy pressure from the Diet, has requested SCAP's assistance in the return of seized fishing vessels and crews and in preventing further seizures. The Government's memo listed 32 boats held by the Koreans, 33 by Chinese Nationalists, 10 by Chinese Communists, and 27 by the Soviets. [] COMMENT: The majority of these seizures probably took 25X1

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place outside the legal fishing areas, but raids upon Japanese fishing craft within the "MacArthur Line" are now quite common. The Soviets generally release the crews and most of the boats after intensive intelligence interrogation. The seizures by the Chinese Communists are a recent development, and may indicate a concerted attempt to build up their fleet of powered small craft.

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SECTION 3 (WESTERN)

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"B" East German Alert Police Will Not Have Joint Maneuvers with Soviet Army. Earlier reports that the East German paramilitary Alert Police would participate in joint maneuvers with the Soviet Army this spring have now proven to be unfounded.

COMMENT: The East German Alert Police is not sufficiently trained or equipped to participate in full-scale maneuvers with the Soviet Army, although it is possible that small-scale training exercises will be held under the supervision of Soviet officers. The Alert Police is being shaken down after its recent reorganization, and now that individual training is completed, each of the 24 Bereitschaften is undergoing unit training.

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"C" FRANCE. Government Officials Intensify Criticism of MDAP. In separate conversations with Ambassador Bruce, the French Ministers of Foreign Affairs, Finance, and Defense have indicated their discontent with the long delays and procedural obstacles involved in the Military Assistance Program, as well as with the restrictions imposed on French spending of US dollar aid. Foreign Minister Schuman is expected to raise this subject during his forthcoming visit in Washington.

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"A" Moscow Reverses CGT Strike Strategy. Despite the opposition of some leaders of the Communist-led General Labor Confederation (CGT), the French Communist Party (PCF) has followed international Communist orders to expand the "cascade of strikes" for wage increases into a broad political strike, spreading from Paris to the provinces. Thus

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sound strike strategy for widening the rift between the workers and the Government has been sacrificed to Soviet tactics in order to impress US isolationist sentiment with the discouraging picture of a disorderly France under a weak government. [redacted]

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Police occupied six strikebound Paris power plants last night as the Government enforced its decision to draft striking transportation and utilities workers in order to halt the most serious work stoppage in two years. [redacted] COMMENT: By acceding to international Communist insistence that economic needs be subordinated to political ends, the CGT further alienates the non-Communist workers, deprives itself of the only means of regaining control over French labor, and assures the Government's success in coping with the strike movement.

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"B" ITALY. Communists Seek to Effect Split in Christian Democratic Party.

[redacted] the formation of a Christian Socialist Party outside the Christian Democratic Party orbit has been discussed by Christian Democratic Deputy Giordani, the heads of a so-called "Christian Labor Party", and one Ruinas, described as an Italian Communist Party agent. Two other Christian Democratic Deputies allegedly favor the immediate foundation of such a party, which they believe could pull 40 to 50 deputies from the Christian Democrats. Prominent Communist Giancarlo Pajetta is allegedly behind this move which would partially counter-balance the current Communist defectionist movement. [redacted]

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COMMENT: Although serious dissension exists within the Christian Democratic Party, there is little chance that more than five or six deputies could be drawn out of the party into a crypto-Communist group. In addition to an antipathy to Communism there is little interest among center and right-wing CD's in a workers' political movement of any kind. A very few left-wingers are interested in a workers' alliance with the Unitary Socialist Party, but most are anxious to develop the present Christian Democratic Party into a progressive reformist movement. Since the close of World War II there have been sporadic unsuccessful attempts to develop Catholic Communist movements. Giordani is considered among the most amenable of the CD's for Communist purposes because he has already embarrassed his party by arguing that Italy should serve as "a bridge between the East and the West".

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"A" Communists Progress in Infiltrating Italian Army. At a meeting of the Executive Committee of the Gorizia Communist organization in December 1950, Communist success in establishing a number of cells amongst Italian troops stationed in that area was reported. Although the importance of propagandizing troops to join the Communist cause in case of war was stressed, the Communists will depend primarily upon some 500,000 veteran partisans in such an eventuality. [redacted]

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[] COMMENT: Communist penetration of the Italian armed forces is believed to be negligible among the officer corps and only slightly larger among enlisted personnel. However, with the expansion of the Italian armed forces, it is probable that the number of Communist cells will grow. Although the Communists effectively control the veterans' organization of World War II partisans (ANPI), it is doubtful in view of the fact that many of the partisans are genuine patriots, that the Communists could subvert the entire membership of the ANPI to Communist paramilitary activity. The size of ANPI is generally believed to be about 200,000.

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"B" NETHERLANDS. Wage-Price Discussions. At the request of the Socialist Catholic and Protestant trade unions, an emergency meeting was called for 20 March for organized consultations among employers, employees, and Government representatives on the increased wage-price tension.

[] COMMENT: Although the trend of the consultations is not yet known, it is probable that an acceptable agreement will be reached to assure the full cooperation of non-Communist labor in the defense program and to maintain labor peace.

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"B" BELGIUM. Socialist Unity of Action Planned. The four Socialist movements--the Socialist Party, the cooperatives, the mutual organizations, and the Trade Union Federation (FGTB)--have joined at a national level to fight the high cost of living, the increase in the period of military conscription, and the one-party Catholic Government. Although no mention has been made of a strike threat, it is believed that the Socialists will not hesitate to call strikes to obtain wage increases.

[] COMMENT: It is unlikely that the Socialists will be able, at present, to cause the fall of the Government. Should strikes be called, however, they probably will be successful in gaining the workers' economic demands in view of the discontent over the growing wage-price disparity.

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"B" SWITZERLAND. Communist Dissidents Form New Group. A group of Swiss, who have resigned or have been expelled from the Communist Party, have decided to form an association in order to continue their efforts in the "workers' movement". Lack of capable organizers in the new group, however, will prevent important inroads in Communist labor ranks. Nevertheless, the pool of potential recruits continues to grow with new Communist expulsions.

[] COMMENT: As anticipated [] the Swiss Communist Party continues to lose ground. The emergence of an indigenous leftist Marxist group is more likely to appeal to the small minority of Swiss inclined toward radical doctrines than is the present Soviet-oriented Communist Party. There are recent defectors who have a substantial following in the Communist Party and who could give this new group capable leadership.

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"B" SWEDEN. Trade Agreement with Czechoslovakia. A newly signed trade agreement between Sweden and Czechoslovakia for a year commencing March 1951 provides for an exchange of goods valued at 210 million Swedish kronor (\$55 million). This represents a considerable reduction in the volume of trade compared with 1950-51. Sweden will export iron ore, steel, steel alloys, ball bearings, paper, chemicals and storage batteries and will receive in return sugar, hops, chemicals, cranes, commercial steel, textiles, porcelain, glass, automobiles and motor-cycles. [redacted] COMMENT: Swedish exports will include strategic bearings, in conformity with the terms of the sale to Sweden of Czech interests in the Swedish Freja iron mines in August 1950. That settlement (17.5 million kronor) includes 4.5 million kronor worth of ball and roller bearings spread over 18 months.

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"C" UNITED KINGDOM. Foreign Office Ponders Next Move in Iranian Oil Dispute. The UK Foreign Office, having announced unequivocally its intention to fight any unilateral cancellation of the Anglo-Iranian Oil Company's contract and confiscation of the company's properties, has settled down to study possible loopholes by which the practical consequences of the nationalization vote might be avoided. US Embassy London believes that the Foreign Office may also be counting on the possibility of the present Majlis' being dissolved and a new Majlis nullifying the action on nationalization. [redacted] COMMENT: The widespread emotional appeal of nationalization in Iran makes it almost wishful thinking to assume that a new Majlis would formally reverse the nationalization decision.

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"C" Three Britishers Named by Eisenhower for SHAPE Posts. Announcement by General Eisenhower of several appointments to his SHAPE staff include Field Marshal Viscount Montgomery as Deputy Commander, Air Chief Marshal Sir Hugh Saunders as Deputy Commander for Air, and Admiral Sir Patrick Brind as commander in chief of the Northern European sector as well as commander of Allied naval forces in this area. No naval deputy was named. [redacted] COMMENT: The choice of Britishers for two of the top staff posts and one of the three area commands should help to neutralize the strong British reaction to the designation of an American Admiral as Supreme Allied Commander Atlantic. [redacted] Replying to Conservative criticism at that time, Labor Government officials pointed out that forthcoming announcements of SHAPE staff positions would make clear that British prestige had not suffered, and they will probably recall these predictions in the Parliamentary debate on this question coming up after the Easter recess, especially as previous speculation had given the Deputy Commander for Air post to an American.

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"C" UNITED KINGDOM. UK Seeks US Aid in Critical Sulphur Shortage. It is officially announced that Harold Wilson, Cabinet minister in charge of overseas trade, is planning a brief visit to the US within the next two weeks to discuss Britain's growing raw material shortage, particularly that of sulphur. The announcement adds that a nation-wide sulphur ration plan will be instituted if Wilson fails in his attempt to obtain increased supplies from the US. [REDACTED]

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COMMENT: These somewhat unusual steps reflect an increasing concern on the part of British officials over the raw material situation. The problem is particularly acute in sulphur, where falling supplies are endangering the UK's vital industries and threatening fairly widespread unemployment. Officials claim that Britain's sulphur shortage is, however, an immediate rather than a long-term problem, for in some three years time expensive substitutes will enable the UK to reduce its present requirements for imported sulphur by approximately 75%.

"C" GUATEMALA. Improved Relations with US Anticipated. US Embassy reports from Guatemala since the inauguration of President Arbenz on 15 March suggest that improved relations with Guatemala may be expected. The Embassy calls Arbenz' inaugural address "statesmanlike, constructive, and conciliatory" in contrast to former President Arévalo's farewell address. Except for Foreign Minister Galich, described as an "intellectual and rabid leftist without experience in foreign relations" the Embassy regards the new cabinet as, on the whole, "qualified and encouraging from our viewpoint". It is noted that Minister of Finance Charnaud MacDonald is a "one time Communist suspect" and that Minister of Education Morgan García also has a record of political extremism, but that many feel that they will not hold their posts for long. On the other hand, Minister of Communications Paz Tejada and Minister of Economy and Labor Noriega Morales are regarded by the Embassy as excellent choices, with the appointment of Noriega being well received in business circles. [REDACTED]

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COMMENT: These initial impressions tend to substantiate a July CIA estimate that the policies of Arbenz will tend to be relatively favorable to business interests, including those of the US, despite the campaign alliance which existed between Arbenz and the Communists. The belief that Galich, Charnaud, and Morgan will soon be replaced suggests undue optimism exists within Guatemalan business circles, for two of these appointees, Galich and Charnaud, are obviously being rewarded for positive political services rendered Arbenz during his campaign and are unlikely to be soon replaced. Although they are not without qualifications for their respective posts and cannot be considered pro-Soviet or fundamentally pro-Communist, their appointments insure that Guatemalan nationalism will continue to influence foreign policy and attitudes toward US business interests. This nationalism will be less obdurate than that of Arévalo, but may continue to obstruct US efforts to promote hemispheric unity and co-operation.

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DAILY DIGEST SUPPLEMENT

MAR 21 1951

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OFFICE OF CURRENT INTELLIGENCE
DAILY SUMMARY OF SIGNIFICANT S/S CABLE TRAFFIC

21 March 1951

SECTION 1 (SOVIET)

"C" YUGOSLAVIA. Western Reaffirmation of Tri-partite Trieste Declaration Distresses Yugoslav Government. Yugoslav Deputy Foreign Minister Mates has informed Ambassador Allen that the Yugoslav Government is distressed by the recent reaffirmation of the 20 March 1948 Trieste Declaration in Washington and London, since his Government feels that such reiteration cannot contribute to the settlement of the Trieste question. Mates declared that public reaffirmation of the March 20 declaration at the present time, when the Italian public was agitating the matter was inconsistent with Yugoslav efforts to restrain such agitation. Mates felt that the US and UK were indeed aiding the USSR which had raised the question at the Deputy Ministers' meeting in Paris primarily to create discord between Yugoslavia and the West. Similar Yugoslav representations have been made to the British and French Governments. [redacted]

COMMENT: In their recent official declarations the Yugoslavs have consistently held to their position that the Trieste issue can only be settled by direct negotiations between Yugoslavia and Italy, but that for the present the status quo should be maintained in order to avoid exacerbation of the issue. Reports emanating from Trieste, however, indicate that the Yugoslavs may be planning at a convenient date to espouse an "independent" Trieste whereby the Territory would be governed by the present occupying powers (Yugoslavia, US and UK). Under this scheme Allied and Yugoslav troops would not be withdrawn. The Yugoslavs may thus hope to halt the creeping expansion of Italian authority in Zone A. [redacted]

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SECTION 2 (EASTERN)

"C" CHINA. Nationalists Not Receptive to POC Visit to Taiwan. In a pre-departure conversation with a US delegate to the UN, T. F. Tsiang, chief of the Chinese delegation, indicated that the Nationalists would probably object strongly if the UN should recommend sending the newly organized Peace Observation Commission to Taiwan. Tsiang explained that, although his government would gladly receive UN groups concerned with technical and humanitarian matters, it would not welcome an organization political in character. [redacted]

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[REDACTED] COMMENT: The POC was scheduled to be organized Friday 16 March; consequently, the question of visiting Taiwan has probably not yet arisen. When and if it should, the reaction of the Nationalists probably would be in line with Tsiang's comments.

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"A" INDIA. USSR Wheat to India? The fact that Prime Minister Nehru has written a personal letter to Stalin asking for food grains has been reported to US Ambassador Warren by the Secretary of the Netherlands Embassy in Karachi. Three days later, on 17 March, Indian Ambassador to Moscow, S. Radhakrishnan, told US Ambassador Kirk that the Government of India had not and would not approach the USSR for wheat because of its fear of getting mixed up with the Soviets in a deal of this kind. However, on 21 March the Indian press quoted Food Minister Munshi to the effect that India had asked the USSR to supply grain.

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[REDACTED] COMMENT:
The USSR has the capability to provide wheat to India if it so desires. Any sizeable quantity of wheat for India would be directly opposed to the strong effort of the Soviets to establish and maintain a stockpile; however, the propaganda value of the shipment might offset the depletion of its stocks. A precedent for such a course was established in 1946 and 1948 by small shipments of wheat to France and Pakistan respectively, purely for propaganda value. The arrival of the first shipment of Chinese rice to India in February 1951 was marked with appropriate ceremonies in which Soviet and Chinese diplomats participated. India with its oft-repeated desire to maintain a neutral position between the West and the Soviet Bloc might well reason that its neutralism is reaffirmed if it receives wheat from both the US and the USSR.

SECTION 3 (WESTERN)

"B" UNITED KINGDOM. Korean Question Again Suggested for Foreign Ministers' Agenda. Ernest Davies, the chief British delegate to the current Paris meeting of the deputies, told the head of the French and US delegations that Britain's permanent representative at UN, Sir Gladwyn Jebb, "had again raised the possibility" of a Western approach to Gromyko in Paris concerning a "possible Korean settlement". The three chief Western delegates responded negatively to this suggestion.

[REDACTED] COMMENT: The only previously reported "feelers" of any description concerning a quadripartite discussion of the Korean question at Paris have come from UN Secretary General Trygve Lie and Soviet delegate Malik at Lake Success.

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British official has raised the matter, but it is not clear whether Jebb (a) was speaking for himself; or (b) conveying a message, or (c) had conveyed a similar suggestion once before. At any rate, as a civil servant, Jebb can speak only in an advisory capacity.

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